



European Economic and Social Committee

NAT/177
VOC Emissions
(decorative paints and vehicle
refinishing)

ORIGINAL ENGLISH

Brussels, 18 June 2003

OPINION

of the European Economic and Social Committee

on the

Proposal for a Directive of the European Parliament and the Council on the limitation of emissions of volatile organic compounds due to the use of organic solvents in decorative paints and varnishes and vehicle refinishing products and amending Directive 1999/13/EC

COM(2002) 750 final – 2002/0301 (COD)

On 23 January 2003, the Council decided to consult the European Economic and Social Committee, under Article 95 of the Treaty establishing the European Community, on the

Proposal for a Directive of the European Parliament and of the Council on the limitation of emissions of volatile organic compounds due to the use of organic solvents in decorative paints and varnishes and vehicle refinishing products and amending Directive 1999/13/EC
COM(2002) 750 final – 2002/0301 (COD).

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subjects, adopted its opinion on 26 May 2003. The rapporteur was **Mr Sears**.

At its 400th plenary session of 18 and 19 June 2003 (meeting of 18 June 2003), the European Economic and Social Committee adopted the following opinion by 73 votes, with one abstention.

1. Introduction

- 1.1 Air quality over Europe continues to improve. Between 1990 and 1998 sulphur emissions (SO_x) fell by 41%, nitrogen oxides (NO_x) by 21%, and non-methane volatile organic compounds (NMVOCs) by 24%. Current priorities are to limit emissions of particulates and of ozone precursors (NO_x and VOCs).
- 1.2 Existing legislation should ensure a 50% reduction in man-made VOC emissions in 2010, compared to a 1990 baseline, i.e., a reduction from 14 to 7.1 million tonnes over 20 years. A product-based approach is required to help close the gap between this and the 6.5 million tonnes of annual VOC emissions envisaged in the National Emissions Ceiling Directive.

2. Summary of the Commission's proposal

- 2.1 The core of the proposal is contained in two tables in Annex II, setting limits on VOCs in g/l of ready-for-use paint in 12 groups of products used as decorative paints and varnishes, and 5 groups of products used in vehicle refinishing. New vehicle refinishing products should be fully reformulated and in use by the end of 2006. A 2-phase approach is suggested for the more complex decorative paint market, with increasingly tight specifications to be in place by the end of 2006 and 2009.
- 2.2 A study (Decopaint 2000) suggested two options, one close to a proposal from paint and resin producers, and a second, used here, that has the effect of removing from the market virtually all solvent-borne paints for internal or external use. The difference for emissions between the two proposals is however small. The industry proposal would take the reduction in VOCs from the 1990 baseline from 50% to 52%. The Commission's proposal takes this to 52.1%.

2.3 If the new limits can be achieved, annual VOC emissions will be reduced by a further 280 thousand tonnes from decorative paints (50% of the sector's VOCs emissions) and by 15 thousand tonnes from vehicle refinishing. Costs and job losses will be incurred, however estimated benefits by 2010 should be €580 million per year v. costs estimated from €108 to €157 million per year.

3. **General comments**

3.1 The EESC strongly supports the continuing efforts by the Commission and Member States to improve air quality over Europe as concerns the current proposal. However, some minor changes are required before the proposal can be satisfactorily applied. The proposal leaves certain targets blank or sets them at levels at which production is impossible with existing or forecast technology. The Commission intends to propose the missing number(s) based on data not yet available, for review by the EESC and EP during 2007, to allow new products to be available for use by the end of 2009. This seems too short a time to allow for the development, testing and marketing of new formulations and to ensure the free movement of goods in a single market.

3.2 The problem for manufacturers and users alike arises from the presence of water in the paint or resin, not the absence of VOCs. Water can cause rust and rot during all stages of manufacture and use and has fixed physical properties of freezing point, evaporation rate and solvating power. These limit its use as a solvent under conditions when VOC-based products could still be used. Water-borne paints require VOCs to be present, to help dissolve the resins and other components, and to provide controlled drying times, strong adhesion and sound surfaces for long-term protection. Below certain limits of VOC, existing resins (alkyds) can no longer be used, hence there has to be a switch to water-borne paints based on other resins (acrylics). At this point costs mount sharply, with only a small reduction of less than 20 thousand tonnes in VOCs emitted.

3.3 Because of this, there is concern that the true costs may be as much as five times these levels, with major impacts on smaller paint and resin manufacturers who will be unable to re-invest in water compatible equipment or be able to afford to develop or buy in the required new technology.

3.4 For consumers, it should be noted that the proposal will have the effect of removing from the market all solvent-borne paints for walls and interior trim (doors, skirting boards and windows) and from most external applications. Water-borne alternatives do exist for some of these, but market penetration so far has been low, with some products being withdrawn after failing to meet consumer needs with respect to colour, durability and surface characteristics.

3.5 Assumed benefits to human health need to be re-examined. Despite the major cuts in VOC and NO_x emissions already achieved, ozone concentrations continue to rise. At best there has

been some moderation of peak levels, which will have had some effect on acute health problems, but not on chronic health problems or damage to materials or crops. If other mechanisms are at work, these need to be identified or more cost effective ways found to reduce emissions of VOCs and NO_x.

4. **Specific comments**

4.1 The EESC last commented on this topic in May 1997. The Committee broadly supported the proposal but questioned whether an overall assessment of measures on air quality had been made and whether these proposals were justified in cost-benefit terms, in particular with regard to social costs. The same comments seem appropriate today.

4.2 The EESC is pleased to note that the CAFE programme (Clean Air for Europe) will take up the first point, and, to assist the second, will develop a new database for cost-benefit analyses of air quality related issues. Two statements in the service contract for this database are particularly welcomed:

- *"the methodology applied in the cost-benefit analysis needs to be transparent"*

- *"the findings must be of high quality and sufficiently robust so that European stakeholders can accept the outcomes of the analyses with confidence for the considerations in the policy department".*

4.3 The EESC notes that there are weaknesses in the current proposal in this respect. The assumptions in the Decopaint study that there are linear relationships between VOC emissions, ozone formation and costs incurred are known to be incorrect and can lead to measures that do not protect human health.

4.4 The BeTa database used to quantify external costs and benefits carries specific warnings that it should not be used in the case of ozone formation, due to the complexities of the reactions involved. This point is echoed in recent Member State government studies.

4.5 The EESC does not share the views expressed in the Decopaint study that small companies can be allowed to fail without other measures being considered, especially when they are concentrated in areas of the EU already subject to high levels of unemployment, or that consumers should be forced to buy products that they have already rejected as being unsuited to their needs.

4.6 The EESC is concerned to note that there has been no consideration of the needs of the 'heritage' sector where public and private buildings require protective and decorative paints to match those previously used. These are frequently subject to government or local authority specification, with the market served by a limited number of SMEs. These would be forced

out of business by the current proposals. Similar concerns have been expressed with regard to the need for continuing supplies of appropriate "traditional" paints for the restoration of "vintage" cars and other collectible items.

- 4.7 The EESC does not accept that alkyd resins for use in solvent-borne paints should be made redundant in favour of alternative products yet to be invented. That this also means abandoning natural oils as raw materials in favour of new petroleum-based chemicals is contrary to wishes expressed elsewhere. The tonnages involved are significant, with around 200,000 tonnes of soy oil used in alkyd resins.
- 4.8 The omission of one limit, for decorative trim, is of particular concern, and the proposed timeline for its identification is unrealistic against market needs. To remedy this, the EESC urges the Commission to return to the limits proposed by CEPE on behalf of its members and their suppliers.
 - 4.8.1 Specifically, the limit values in Annex II for solvent-borne (SB) paints in subcategory d for phases I and II should be shown as 400 and 300 g/l respectively. No changes are required in this category for water-borne (WB) paints.
 - 4.8.2 Minor additional changes, for phase II only, are proposed for subcategory c, for solvent-borne paints, 450 g/l; subcategory g, for water-borne paints, 50 g/l; subcategory h, for water-borne paints, 50 g/l; and for subcategory i, for solvent-borne paints, 600 g/l.
 - 4.8.3 According to Commission figures, the above changes would result in a shortfall of 14 thousand tonnes of VOC emissions against the current proposal (i.e. 0.1 % of the 1990 base line VOC emissions of 14 million tonnes as noted in points 1.2 and 2.2 above).
 - 4.8.4 The EESC therefore encourages the Commission to re-open discussions with paint manufacturers to identify cost-effective ways to make good this shortfall by 2010.
- 4.9 There are a number of errors in the description of products and sectors that need to be corrected if the Directive is to be applied effectively and uniformly. Given that these definitions must meet market needs through to at least 2010, re-drafting would benefit regulators, manufacturers and consumers alike. If the proposed amendments to limit values for solvent-borne paints in category (d) are accepted, then no further review is necessary in 2006, and consequently, recital (9) and article 9 can be deleted.
- 4.10 In the particular case of vehicle refinishing, this sector is now subject to two Directives covering similar ground. Bringing the sector entirely under the provisions of the current proposal, with definitions and wording to match, would be the preferred course.

- 4.11 The EESC notes that if the above changes are made, together with a small change to the VOC content of trim wood stains, then concerns over employment in certain Member States also largely vanish, with minimal impact on VOC emissions.
- 4.11.1 Specifically, the limit values in Annex II for water-borne (WB) and solvent-borne (SB) paints in subcategory e for phases I and II should be shown as 150 g/l and 130 g/l, and 550 and 450 g/l, respectively.
- 4.11.2 The EESC does not believe that any other changes are required to the limit values proposed in Annex II, i.e. 46 of the 55 limit values proposed should remain unchanged.
- 4.12 The EESC agrees that a notional baseline valuation of a human life is essential for the estimation of costs and benefits and for the setting of priorities for action, and believes that this number should be transparent to all those involved in the regulatory process and used uniformly across all internal and external studies.
- 4.13 Finally the EESC wishes to reaffirm its support for a knowledge-based approach to legislation and encourages the Commission to strengthen the collection of relevant data across Member States. These should include primary indicators of public health and crop damage to ensure that measures taken are having the desired effect. The progress of individual Member States to meeting their target emission reductions under existing legislation should also be carefully monitored and reported.

Brussels, 18 June 2003.

The President
of the
European Economic and Social Committee

The Secretary-General
of the
European Economic and Social Committee

Roger Briesch

Patrick Venturini